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PUBLIC UTILITIES
COMMISSION

FILED

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application)	DOCKET NO. 2009-0048
)	
MOLOKAI PUBLIC UTILITIES, INC.)	WEST MOLOKAI ASSOCIATION'S
)	RESPONSE TO MPL'S MOTION
For review and approval of rate)	FOR RECONSIDERATION, FILED
increases; revised rate schedules;)	OCTOBER 28, 2009;
and revised rules.)	DECLARATION OF WILLIAM W.
)	MILKS; CERTIFICATE OF
)	SERVICE.
)	

**WEST MOLOKAI ASSOCIATION'S RESPONSE TO MPL'S MOTION FOR
RECONSIDERATION, FILED OCTOBER 28, 2009**

On October 28, 2009, Molokai Properties, Ltd. filed a Motion for Reconsideration, seeking to be excused from all aspects of the proceedings in HPUC Docket No. 2009-0048. By correspondence dated November 5, 2009, the Commission provided all other parties to the proceeding the opportunity to respond to MPL's Motion for Reconsideration, so long as responses are filed by November 13, 2009.

West Molokai Association ("WMA") contends that the Commission's "Order Granting Intervention to the County of Maui, West Molokai Association, and Stand For Water," filed October 16, 2009, which order made MPL a party to the proceeding, is

proper in all respects and thus need not be reconsidered by this Commission. WMA's reasoning is set forth, infra.

1.0 JURISDICTION OF THE COMMISSION

Generally, public utilities commissions not only have jurisdiction over entities certificated as public utilities, but also have jurisdiction over utility-like operations, notwithstanding the fact that some such operations may not have obtained certification as a utility. In essence, utility commissions have jurisdiction over utility operations, be they certificated or uncertificated. Hawaii law follows the general law, in such instances.

More specifically, there are various statutory provisions that require the Hawaii Commission to extend its jurisdiction over non-certificated entities merely affiliated with a Hawaii certificated public utility. (Refer, eg, Subsections 269-16(e), 269-19.5(d) Haw.Rev.Stat., et al.) For reasons set forth below, MPL is not only affiliated with MPU and other certificated utilities, MPL's actions give cause to believe MPL manages and performs many of the functions of its wholly-owned utility companies.

2.0 MPL FALLS WITHIN THE COMMISSION'S JURISDICTION

With regard to its status as a party in the proceeding, MPL states in its Motion for Reconsideration:

"The Commission's decision to name MPL as a party in this type of proceeding is unprecedented, unreasonable, unlawful, and

erroneous, for the reasons set forth below." Emphasis Added.

(Motion, p. 4)

MPL then proceeds to formulate seemingly contradictory arguments and to assert unsupported factual allegations.

2.1 MPL Knows of Recent Precedent for Making a Non-Utility a Party to a Rate Proceeding.

In its Motion for Reconsideration (p. 5), MPL acknowledges that it was named as a party in HPUC Docket No. 2008-0115. Thus, MPL knows of a precedent for making MPL a party to a rate proceeding.

MPL then attempts to differentiate HPUC Docket 2008-0115 from HPUC Docket 2009-0048. The distinctions cited by MPL make it even more compelling that MPL be a party to a full rate investigation. The rates approved in HPUC Docket No. 2009-0048 will be permanent. Setting permanent rates should be based on a full evidentiary record. As set forth below, a full evidentiary record can be established only if MPL is a party.

2.2 MPL's Status as a Party in HPUC Docket No. 2009-0048 is Reasonable.

At this initial stage of the investigation, little discovery has been conducted. However, from the direct testimonies, exhibits, and responses

to IR's submitted by MPU, it is clear that is reasonable for MPL to be a party to this investigation. MPL is more than an alter ego of MPU: MPL is a non-certificated holding company, owning, controlling and effectively operating three certified public utilities, one of which is MPU.

2.2.1. MPL Speaks for MPU. As an example of MPL speaking for MPU, with regard to MPU's failure to respond to issues raised at the September 3, 2009 public hearing, MPL states "had such a request been made, MPU would have complied and provided the requested information." MPL tells MPU what to say and what to do.

2.2.2. MPL owns essential components of MPU, albeit indirectly through other wholly-owned subsidiaries (e.g. Kaluakoi Water, LLC). One of the subsidiaries held the permit for Well 17, the sole source of MPU's water. Currently, MPU's right to a quantifiable percentage of Well 17's water is in serious jeopardy. MPL must be a party to answer questions, under oath on behalf of MPU and Kaluakoi Water, LLC, with regard to enforceable assurances on the continuation of the availability of water.

2.2.3. MPL's Financial Resources. MPL and its affiliates have funded MPU in the past, to an extraordinarily high level of \$3,645,969 (as of 12/31/09; refer, Exhibit MPU 2, Schedule 4). Yet the claim is

that there is legally enforceable note of indebtedness (Refer, Exhibit MPU 2, Schedule; and Exhibit MPU 2, Schedule 6). In financial matters, MPL and MPU are financially one and the same.

The nature of the indebtedness must be clarified (refer, Sections 269-17 (especially ¶ 2), and 269-19, Haw.Rev.Stat.) because this clarification can determine major issues in the case.

A truly independent MPU would take the position relative to the debt, very differently than MPL's position with regard to the debt. The \$3.6 million may not be a legal obligation of MPU. MPU's situation requires forthright answers to very basic questions. MPL is an essential party.

2.2.4. MPU's independent auditor (KPMG) views MPU and MPL as a single-utility operation: "...it is the intent of the Company [MPU] and MPL to continue operating the water utility as legally required." Emphasis added. (Exhibit MPU 2, Schedule 4, p. 10 of 10.)

2.2.5. MPU is an apparent major cause of MPU's most immediate cash crises. MPL has full control over certain of MPU customers, which historically purchased at least 48% of MPU's base level

water. (Refer, MPU Exhibit 4, page 1 of 2.) By "normalizing" revenues, there may be no need for a rate investigation.

2.2.6. MPL can provide solutions to MPU's problems. The

Commission is without solutions to the water crisis on West Molokai without MPL being a party to this – and other – proceedings. MPL is the essential player in all matter on the West End of Molokai.

2.2.7. "Account 610." MPL's ledgers include what appears to be a "clearing account" which needs to be thoroughly examined. This is an account which might otherwise be beyond the Commission's jurisdiction if MPL were not a party.

3.0 TO PROCEED WITHOUT MPL AS A PARTY WOULD BE ERRONEOUS

MPL argues that intervenors or the Commission have raised issues (e.g. Well 17, MIS, water quality etc.) which are either not germane to the investigation of MPU's proposed water rates, or should be non-issues.

WMA takes issue with MPL in that regard: the availability of water, the price MPU is paying MIS to transport water, and MPU's apparent inability to continue as the nominal utility are all germane to the rate case. Water quality is an issue challenged by MPL:

"The intervenors have also asserted that MPU's water quality fails to meet federal and state standards. There is absolutely no evidence to support that allegation; and even if there were a legitimate concern about water quality, the obvious solution would be to raise the water rates in order to make MPU financially viable." Emphasis Added. (Pg. 7)

MPL's statement contains some rather amazing assertions. MPU itself has issued numerous notices that the quality of the water is not compliant with applicable standards. (Refer: "Declaration," attached hereto and incorporated herein.) MPL is a necessary party, if for no other reason than to provide MPL an opportunity to become better informed. To release MPL as a party would be serious error.

4.0 MPL'S PARTY STATUS IS LAWFUL...AND A LEGAL NECESSITY

MPL further claims that "no claims or request for relief," other than MPU's Application for a Rate Increase, had been asserted by any party to this docket.

In fact, WMA suggested in its Motion to Intervene – and reiterates herein – that the record developed in this proceeding can be of assistance to the Commission in its determination as to whether Act 74, (SLH 2009) should be employed by the Commission. In making such a request, WMA has not attempted to expand the issues; rather WMA's intent is to put all parties – including MPL – on notice that the record being developed before the Commission may justify the conclusion that MPU is a failing utility. Even with the restricted issues approved by the Commission in this rate investigation, WMA anticipates an evidentiary record to be developed which will be useful to the Commission in determining whether to exercise powers given to it by Act 74. MPL contends all is

well with MPU, except for the level of rates. But even the record developed to date suggests problems abound. MPL's status as a party is essential.

Given the incomplete record compiled to date, WMA contends that the Commission's consideration of the appointment of a receiver is timely and otherwise appropriate. WMA sees the provision of a reasonably priced essential service in jeopardy unless a receiver takes control.

- 4.1 But for Hawaii's utility law, MPL would "landbank" all of its Molokai-based assets, including MPU. MPL remains an unwilling, reluctant owner of MPU.
- 4.2 MPL estimates incurrence of nearly one million dollars of legal fees to fight the County of Maui (Response to PUC-IR-103). This occurs at a time when MPL apparently is unwilling to patch MPU's leaky pipes.
- 4.3 It appears that the water transport essential to MPU's continuing operations is contingent upon a month-to-month, verbal agreement between MPL and the Department of Agriculture (MPU Response to PUC-IR-103 (c) (1), Part A).
- 4.4 The MPL/MPU's right to a specified percentage of water from Well 17 diminishes daily. MPU says it will wait until it becomes profitable, before

attending to the permitting, targeting the "4th Quarter, 2010" to start the process. But, MPL has stronger, more compelling motives to delay the permitting process interminably: the longer the ranch and hotel operations are closed, the greater MPU's water requirements are reduced, which reduces the portion of Well 17's water MPU may be entitled to.

5.0 SUMMARY AND CONCLUSION

In its Motion for Reconsideration of the Commission's October 16, 2009 Order, MPL contends that the Commission's decision to name MPL as a party is "unprecedented, unreasonable, unlawful, and erroneous," for the reasons set forth by MPL. WMA contends that MPL being made a party to this proceeding has precedence, is reasonable, is lawful and was the correct thing for the Commission to do. If MPL were not made a party to this proceeding, the reasonableness of MPU's proposed rates could not be determined on a complete and reliable evidentiary record. Further, the Commission would lose a valuable opportunity to view a larger picture, in its consideration to utilize powers given to it by Act 74 (SLH 2009).

DATED: Honolulu, Hawaii, November 12, 2009.

A handwritten signature in black ink, appearing to read 'William W. Milks', written over a horizontal line.

WILLIAM W. MILKS, Counsel for
West Molokai Association

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application)	DOCKET NO. 2009-0048
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MOLOKAI PUBLIC UTILITIES, INC.)	DECLARATION OF WILLIAM W.
)	MILKS
For review and approval of rate)	
increases; revised rate schedules;)	
and revised rules.)	
_____)	

DECLARATION OF WILLIAM W. MILKS

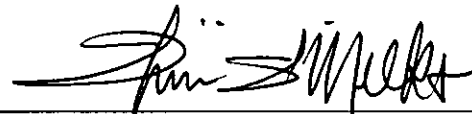
Pursuant to Rule 7 (g) of the Rules of the Circuit Court of the State of Hawaii, I,
William W. Milks, state:

1. Declarant is more than twenty-one years of age, competent to testify, and personally knowledgeable of matters asserted herein.
2. Declarant is an attorney licensed in Hawaii who has been retained by West Molokai Association as its attorney, for the purpose of its legal representation in the above-captioned matter.
3. In the course of preparing pleadings, testimonies, and exhibits in this case, Declarant has been forwarded voluminous materials, from multiple sources.
4. Attached hereto and incorporated herein are a set of some of the notices which appear to confirm that MPU's water quality does not meet certain standards.

5. Among the materials received are copies of notices that Kaluakoi Water System and Molokai Public Utilities are in violation of Safe Drinking Water Act, for six of the eight quarters for calendar years 2004-2005.

I, William W. Milks, do declare under penalty of law that the foregoing is true and correct.

Dated: Honolulu, Hawaii, November 12, 2009.

A handwritten signature in black ink, appearing to read 'W. W. Milks', written over a horizontal line.

WILLIAM W. MILKS, Counsel
for West Molokai Association

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

Kaluakoi System Does Not Meet Treatment Requirements

April to June 2004

The Kaluakoi Water System is in violation of the safe drinking water act. Although this situation does not require that you take immediate action, as our customers, you have a right to know what happened, what you should do and what we are doing to correct this situation.

According to the Department of Health Surface Water Treatment Rule (SWTR), all potable water derived from surface water sources must be treated by an approved filtration and disinfection system as of June 30, 1993. Kaluakoi water is being partially transported through the Molokai Irrigation System and is therefore subject to the SWTR. For the months above, Molokai Public Utilities has failed to meet filtration requirements for treating its surface water source.

The violation is a result of more stringent regulations being instituted by the EPA, pertaining to the filtration and disinfection processes. Your water is treated by a filtration and disinfection system and does meet current interim water quality standards established by the United States Environmental Protection Agency (EPA). Therefore, it is not deemed necessary for consumers to seek any alternative source of water.

WHAT SHOULD I DO?

- You do not need to boil your water. However, if you have specific health concerns, consult your doctor. A home filter will not necessarily solve the problem, because not all home filters protect against parasites. You can call NSF International at 1-800-NSF-8010 or the Water Quality Association at 1-800-426-4791 for more information on appropriate filters.
- People with severely compromised immune systems, infants, and some elderly may be at increased risk. These people should seek advice about drinking water from their health care providers. General guidelines on ways to lessen the risk of infection by microbes are available from EPA's Safe Drinking Water Hotline at (800) 426-4791.

WHAT DOES THIS MEAN?

This is not a situation requiring that you take immediate action. If it had been, you would have been notified immediately. We do not know of any cases of contamination. However, until improvements are made there is an increased chance that disease-causing organisms could contaminate the water supply.

Inadequately treated water may contain disease-causing organisms. These organisms include bacteria, viruses, and parasites, which can cause symptoms such as nausea, cramps, diarrhea, and associated headaches. These symptoms, however, are not caused only by organisms in drinking water. If you experience any of these symptoms and they persist, you may want to seek medical advice.

WHAT IS BEING DONE?

In order to correct the violation, the Company will be installing a sealed pipeline from our source to the existing Kaluakoi water system. The completion of this project will take approximately two years. Until such time that the new system is completed, we will continue to use the water quality monitoring devices that have been installed to monitor your drinking water quality and to insure compliance with existing water quality standards. Until filtration is installed, you will receive a notice similar to this every three months.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools and businesses). You can do this by posting this notice in a public place or, distributing copies by hand or mail.

This notice was prepared for publication by Molokai Public Utilities / Water System ID#236 / June 30, 2004.

For any further questions, call Molokai Public Utilities, Inc. at (808) 660-2883.

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

Kaluakoi System Does Not Meet Treatment Requirements

July to September 2004

The Kaluakoi Water System is in violation of the safe drinking water act. Although this situation does not require that you take immediate action, as our customers, you have a right to know what happened, what you should do and what we are doing to correct this situation.



According to the Department of Health Surface Water Treatment Rule (SWTR), all potable water derived from surface water sources must be treated by an approved filtration and disinfection system as of June 30, 1993. Kaluakoi water is being partially transported through the Molokai Irrigation System and is therefore subject to the SWTR. For the months above, Molokai Public Utilities has failed to meet filtration requirements for treating its surface water source.

The violation is a result of more stringent regulations being instituted by the EPA, pertaining to the filtration and disinfection processes. Your water is treated by a filtration and disinfection system and does meet current interim water quality standards established by the United States Environmental Protection Agency (EPA). Therefore, it is not deemed necessary for consumers to seek any alternative source of water.

WHAT SHOULD I DO?

- You do not need to boil your water. However, if you have specific health concerns, consult your doctor. A home filter will not necessarily solve the problem, because not all home filters protect against parasites. You can call NSF International at 1-800-NSF-8010 or the Water Quality Association at 1-800-426-4791 for more information on appropriate filters.
- People with severely compromised immune systems, infants, and some elderly may be at increased risk. These people should seek advice about drinking water from their health care providers. General guidelines on ways to lessen the risk of infection by microbes are available from EPA's Safe Drinking Water Hotline at (800) 426-4791.

WHAT DOES THIS MEAN?

This is not a situation requiring that you take immediate action. If it had been, you would have been notified immediately. We do not know of any cases of contamination. However, until improvements are made there is an increased chance that disease-causing organisms could contaminate the water supply.

Inadequately treated water may contain disease-causing organisms. These organisms include bacteria, viruses, and parasites, which can cause symptoms such as nausea, cramps, diarrhea, and associated headaches. These symptoms, however, are not caused only by organisms in drinking water. If you experience any of these symptoms and they persist, you may want to seek medical advice.

WHAT IS BEING DONE?

In order to correct the violation, the Company will be installing a sealed pipeline from our source to the existing Kaluakoi water system. The completion of this project will take approximately two years. Until such time that the new system is completed, we will continue to use the water quality monitoring devices that have been installed to monitor your drinking water quality and to insure compliance with existing water quality standards. Until filtration is installed, you will receive a notice similar to this every three months.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools and businesses). You can do this by posting this notice in a public place or, distributing copies by hand or mail.

This notice was prepared for publication by Molokai Public Utilities / Water System ID#236 / September 30, 2004.

For any further questions, call Molokai Public Utilities, Inc. at (808) 660-2883.

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER Kaluakoi System Does Not Meet Treatment Requirements

October to December 2004

The Kaluakoi Water System is in violation of the safe drinking water act. Although this situation does not require that you take immediate action, as our customers, you have a right to know what happened, what you should do and what we are doing to correct this situation.

According to the Department of Health Surface Water Treatment Rule (SWTR), all potable water derived from surface water sources must be treated by an approved filtration and disinfection system as of June 30, 1993. Kaluakoi water is being partially transported through the Molokai Irrigation System and is therefore subject to the SWTR. For the months above, Molokai Public Utilities has failed to meet filtration requirements for treating its surface water source.

The violation is a result of more stringent regulations being instituted by the EPA, pertaining to the filtration and disinfection processes. Your water is treated by a filtration and disinfection system and does meet current interim water quality standards established by the United States Environmental Protection Agency (EPA). Therefore, it is not deemed necessary for consumers to seek any alternative source of water.

WHAT SHOULD I DO?

- You do not need to boil your water. However, if you have specific health concerns, consult your doctor. A home filter will not necessarily solve the problem, because not all home filters protect against parasites. You can call NSF International at 1-800-NSF-8010 or the Water Quality Association at 1-800-426-4791 for more information on appropriate filters.
- People with severely compromised immune systems, infants, and some elderly may be at increased risk. These people should seek advice about drinking water from their health care providers. General guidelines on ways to lessen the risk of infection by microbes are available from EPA's Safe Drinking Water Hotline at (800) 426-4791.

WHAT DOES THIS MEAN?

This is not a situation requiring that you take immediate action. If it had been, you would have been notified immediately. We do not know of any cases of contamination. However, until improvements are made there is an increased chance that disease-causing organisms could contaminate the water supply.

Inadequately treated water may contain disease-causing organisms. These organisms include bacteria, viruses, and parasites, which can cause symptoms such as nausea, cramps, diarrhea, and associated headaches. These symptoms, however, are not caused only by organisms in drinking water. If you experience any of these symptoms and they persist, you may want to seek medical advice.

WHAT IS BEING DONE?

In order to correct the violation, the Company will be installing a sealed pipeline from our source to the existing Kaluakoi water system. The completion of this project will take approximately two years. Until such time that the new system is completed, we will continue to use the water quality monitoring devices that have been installed to monitor your drinking water quality and to insure compliance with existing water quality standards. Until filtration is installed, you will receive a notice similar to this every three months.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools and businesses). You can do this by posting this notice in a public place or, distributing copies by hand or mail.

This notice was prepared for publication by Molokai Public Utilities / Water System ID#236 / December 31, 2004.

For any further questions, call Molokai Public Utilities, Inc. at (808) 660-2883.

**IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER
MOLOKAI PUBLIC UTILITIES, KALUAKOI WATER SYSTEM HAS LEVELS
OF TOTAL TRIHALOMETHANES ABOVE DRINKING WATER STANDARDS**

Molokai Public Utilities, Kaluakoi Water System recently violated a drinking water standard. Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we are doing to correct this situation.

We routinely monitor for presence of drinking water contaminants. Testing results we received on March 3, 2005 show that our system exceeded the standard, or maximum contaminant level (MCL) for Total Trihalomethanes (THMs) of 80 micrograms per liter or parts per billion (ppb). The average level of total THMs over the last 4 quarters was 103.4 ppb. The MCL became effective for the Kaluakoi Water system (a system serving less than 10,000 persons) on January 1, 2004.

What should I do?

- You do not need to use an alternative (e.g. bottled) water supply. However, if you have specific health concerns, consult your doctor.

What does this mean?

This is not an immediate risk. If it had been, you would have been notified immediately. However, some people who drink water containing trihalomethanes in excess of the MCL, over many years, may experience problems with their liver, kidneys, or central nervous system, and may have an increased risk of getting cancer.

What happened? What is being done?

The existing treatment equipment is not capable of providing the level of treatment necessary to meet these higher standards. We are currently evaluating whether to install more advanced treatment equipment or accelerate our system upgrade to a dedicated transmission pipeline. We anticipate either approach can be implemented within 8-9 months.

For more information, please contact Rex Kamakana, Utility Manager, at (808) 336-0240 or write to P.O. Box 259, Maunaloa, HI 96770

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses.) You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by Molokai Public Utilities.

State water system ID: 236

Distributed: March 14, 2005

**IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER
MOLOKAI PUBLIC UTILITIES, KALUAKOI WATER SYSTEM HAS LEVELS
OF TOTAL TRIHALOMETHANES ABOVE DRINKING WATER STANDARDS**

Molokai Public Utilities, Kaluakoi Water System recently violated a drinking water standard. Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we are doing to correct this situation.

We routinely monitor for presence of drinking water contaminants. Testing results we received on **October 28, 2004** for the period of October to December 2004, show that our system exceeded the standard, or maximum contaminant level (MCL) for **Total Trihalomethanes (THMs) of 80** micrograms per liter or parts per billion (ppb). The average level of total THMs over the last 4 quarters was 102.8 ppb. The MCL became effective for the Kaluakoi Water system (a system serving less than 10,000 persons) on January 1, 2004.

What should I do?

- You do not need to use an alternative (e.g. bottled) water supply. However, if you have specific health concerns, consult your doctor.

What does this mean?

This is not an immediate risk. If it had been, you would have been notified immediately. However, some people who drink water containing trihalomethanes in excess of the MCL, over many years, may experience problems with their liver, kidneys, or central nervous system, and may have an increased risk of getting cancer.

What happened? What is being done?

The existing treatment equipment is not capable of providing the level of treatment necessary to meet these higher standards. We are currently evaluating whether to install more advanced treatment equipment or accelerate our system upgrade to a dedicated transmission pipeline. We anticipate either approach can be implemented within 8-9 months.

For more information, please contact Rex Kamakana, Utility Manager, at (808) 336-0240 or write to P.O. Box 259, Maunaloa, HI 96770

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses.) You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by Molokai Public Utilities.

State water system ID: 236

Distributed: March 31, 2005

**IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER
MOLOKAI PUBLIC UTILITIES, KALUAKOI WATER SYSTEM (PWS ID. 236)
HAS LEVELS OF HALOACETIC ACIDS ABOVE DRINKING WATER STANDARDS
FOR THE PERIOD OF JULY TO SEPTEMBER 2005**

Molokai Public Utilities, Kaluakoi water system violated a drinking water standard during the period of April to June 2005. Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we are doing to correct this situation.



We routinely monitor for the presence of drinking water contaminants. Testing results we received on September 14, 2005 show that our system exceeded the standard, or maximum contaminant level (MCL) for Haloacetic Acids (HAA5) of 60 micrograms per liter or parts per billion (ppb). The average level of HAA5 over 4 quarters was 73.4 ug/l. The MCL became effective for this water system (a system serving less than 10,000 persons) on January 2004.

What should I do?

- You do not need to use an alternative (e.g. bottled) water supply. However, if you have specific health concerns, consult your doctor.

What does this mean?

This is not an immediate risk. If it had been, you would have been notified immediately. However, some people who drink water containing halo acetic acids in excess of the MCL, over many years, may have an increased risk of getting cancer.

What happened? What is being done?

The then existing treatment equipment was not capable of providing the level of treatment necessary to meet these higher standards. It has since been replaced and removed from service on September 14, 2005. As these contaminants are reported on a four quarter moving average basis, it may take three to four quarters for the full impact of the filter change to be reflected in the test results resulting in further violations.

For more information, please contact Rex Kamakana, Utility Manager at (808)336-0240 or writing to P.O. Box 259, Maunaloa, HI 96770.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses.) You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by Molokai Public Utilities.

**IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER
MAUNALOA-KALUAKOI WATER SYSTEM HAS LEVELS OF TOTAL
TRICHALOMETHANES ABOVE DRINKING WATER STANDARDS
October to December 2005**

Waiola-MPU water system recently violated the drinking water standard for total Trihalomethanes (THMs). Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we are doing to correct this situation.

Waiola O Molokai-MPU, routinely monitors for the presence of drinking water contaminants. Testing results we received on November 10, 2005 show that our system exceeded the total THM standard, or maximum contaminant level (MCL) of 80 micrograms per liter or parts per billion (ppb). The average level of total THMs over the last 4 quarters was 81.0 ug/l. The MCL became effective for the Maunaloa water system (a system serving less than 10,000 persons) on January 1, 2004.

What should I do?

- You do not need to use an alternative (e.g. bottled) water supply. However, if you have specific health concerns, consult your doctor.

What does this mean?

This is not an immediate risk. If it had been, you would have been notified immediately. However, some people who drink water containing trihalomethanes in excess of the MCL, over many years, may experience problems with their liver, kidneys, or central nervous system, and may have an increased risk of getting cancer.

What happened? What is being done?

Your water is subjected to a disinfecting process to ensure the safety of the water. THMs are a by-product of this process. The recently completed upgrades to the filtration system and other upgrades will facilitate our ability to address this issue over the next few months. As operations are refined, full regulatory compliance will be achieved. As this standard is measured using a running average over four quarters, full compliance will require approximately one year or longer.

For more information, please contact Rex Kamakana at (808) 336-0240 or write us at P.O. Box 259, Maunaloa, HI 96770.

Please share this information with all the other people who drink this water especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses.) You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by Waiola O Moloka'I, the Maunaloa water system.

State water system ID: 231

Date Distributed: November 25, 2005

Certificate of Service

The undersigned hereby certifies that the foregoing document has either been hand delivered or sent by mail, postage prepaid, to the following named individuals on the date indicated below.

Catherine P. Awakuni
Executive Director
Department of Commerce and Consumer Affairs
Division of Consumer Advocacy
P.O. Box 541
Honolulu, HI 96809

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